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Cariboo-Bell Copper Mines Limited

**SECOND
Annual Report 1967**

Cariboo-Bell Copper Mines Limited

(Incorporated under the Laws of the Province of British Columbia)

Authorized Capital:

3,000,000 common shares without
nominal or par value.

DIRECTORS

KARL J. SPRINGER	-	-	-	-	-	-	-	-	-	-	-	Toronto, Ont.
F. E. HALL	-	-	-	-	-	-	-	-	-	-	-	Toronto, Ont.
W. A. McELMOYLE	-	-	-	-	-	-	-	-	-	-	-	Victoria, B.C.
M. M. O'BRIEN	-	-	-	-	-	-	-	-	-	-	-	Vancouver, B.C.
R. E. PURVIS	-	-	-	-	-	-	-	-	-	-	-	Bremerton, Wash.
R. J. SPRINGER	-	-	-	-	-	-	-	-	-	-	-	Vancouver, B.C.

OFFICERS

KARL J. SPRINGER	-	-	-	-	-	-	-	-	-	-	-	President
R. J. SPRINGER	-	-	-	-	-	-	-	-	-	-	-	Vice-President
J. D. MUNROE	-	-	-	-	-	-	-	-	-	-	-	Secretary-Treasurer

AUDITORS

PEAT, MARWICK, MITCHELL & CO.	-	-	-	-	-	-	-	-	-	-	-	Vancouver, B.C.
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SOLICITORS

DOUGLAS, SYMES & BRISSENDEN	-	-	-	-	-	-	-	-	-	-	-	Vancouver, B.C.
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TRANSFER AGENTS

THE CANADA TRUST COMPANY	-	-	-	-	-	-	-	-	-	-	-	Vancouver, B.C. and Toronto, Ont.
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BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE	-	-	-	-	-	-	-	-	-	-	-	Vancouver, B.C.
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REGISTERED OFFICE

SUITE 300 - 999 WEST PENDER STREET, VANCOUVER 1, BRITISH COLUMBIA

REPORT OF THE DIRECTORS'

Your directors have pleasure in submitting the second Annual Report for Cariboo-Bell Copper Mines Limited, together with the Financial Statements and the Auditors' Report thereon.

Development on your property by a consortium of Japanese companies was completed in June.

The drilling results, as reported last year, indicated 37,000,000 tons of an average grade of 0.50% copper and 0.015 ounces gold, which can be mined by open pit.

The Japanese companies dropped their option to bring the property into production, chiefly on account of metallurgical problems encountered by them when doing milling tests on the ore.

Your Company submitted drill core samples to the Mines Department in Ottawa and to the Galigher Company of Salt Lake City, Utah for metallurgical testing. These tests indicated the extent of the oxidized material and showed satisfactory recoveries from the primary chalcopyrite (sulphide) ore by standard flotation.

About a third of the ore indicated by drilling to date is composed of oxidized minerals not amenable to standard flotation methods. The balance, or about 23,000,000 tons, grading approximately 0.514% copper and 0.015 ounces gold is amenable to standard flotation methods with usual recovery.

Your Company is investigating the possibility of leaching the ore "in situ". If this can be done the copper may be leached out at a fraction of the capital cost of standard mining and milling methods.

Leaching of oxidized copper ores is an established procedure, particularly in the Southwestern States and continued research is being carried out with favourable results by the United States Bureau of Mines and copper mining companies.

Your Company is encouraged by the work done so far and feels there is a distinct possibility of developing and putting into production a low grade deposit of economic proportions, and your management will work to put this into effect.

The directors are pleased to take this opportunity of acknowledging with appreciation the contributions of the technical and administrative staff of your Company.

On behalf of the Board,
K. J. Springer, President.

Vancouver, B.C.
April 4, 1968.

Cariboo-Bell Copper Mines Limited

BALANCE SHEET

December 31, 1967

(With comparative figures for 1966)

	Assets	1967	1966
Current assets:			
Cash		\$ 8,623	45,783
Accounts receivable		—	1,520
Total current assets		8,623	47,303
Mining claims acquired by the issue of 750,000 shares and \$50,000 cash		800,000	800,000
Equipment, at cost		10,739	14,625
Deferred exploration and administration expenses, per Schedule 1		716,081	556,632
Incorporation and organization expense		2,812	2,812
		<u>\$ 1,538,255</u>	<u>1,421,372</u>

Liabilities and Shareholders' Equity

Current liabilities:			
Accounts payable and accrued expenses		\$ 750	30,867
Advances by a group of Japanese companies (Note)		—	153,000
Shareholders' equity:			
Capital stock:			
Shares without nominal or par value. Authorized 3,000,000 shares; issued 1,500,005 shares:			
For cash — 750,005 shares		487,505	487,505
For mining properties — 750,000 shares		750,000	750,000
		<u>1,237,505</u>	<u>1,237,505</u>
Contributed surplus (Note)		300,000	—
Total shareholders' equity		<u>1,537,505</u>	<u>1,237,505</u>
		<u>\$ 1,538,255</u>	<u>1,421,372</u>

Note: The company received \$300,000 during 1966 and 1967 from a group of Japanese companies under the terms of an exploration and financing agreement. The agreement was terminated at the end of the first stage and the funds received have been credited to contributed surplus.

Approved on behalf of the Board:

K. J. Springer, Director

R. E. Purvis, Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Cariboo-Bell Copper Mines Limited as of December 31, 1967 and the statements of deferred exploration and administration expenses and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company at December 31, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, British Columbia

February 2, 1968.

PEAT, MARWICK, MITCHELL & CO.,

Chartered Accountants.

Cariboo-Bell Copper Mines Limited

Statement of Deferred Exploration and Administration Expenses

Year ended December 31, 1967

	Balance at beginning of year	Expenditures during year	Balance at end of year
Exploration:			
Diamond and percussion drilling	\$ 278,272	57,777	336,049
Drill roads and site preparation	7,203	3,776	10,979
Trenching	12,452	—	12,452
Sampling and assaying	25,273	4,910	30,183
Metallurgy	—	15,522	15,522
Prospecting	11,639	—	11,639
Engineering and geology	31,907	13,174	45,081
Temporary buildings	26,891	—	26,891
Freight	12,480	2,194	14,674
Road	16,479	1,509	17,988
Camp operations	40,272	7,309	47,581
Mine general	55,012	21,922	76,934
Water lines	3,579	—	3,579
	<u>\$ 521,459</u>	<u>128,093</u>	<u>649,552</u>
Administration	44,868	31,356	76,224
Total exploration and administration expenditures	<u>\$ 566,327</u>	<u>159,449</u>	<u>725,776</u>
Less interest earned	9,695	—	9,695
	<u>\$ 556,632</u>	<u>159,449</u>	<u>716,081</u>

See accompanying note to balance sheet.

Statement of Source and Application of Funds

Year ended December 31, 1967


Funds provided by:

Japanese companies (Note)	\$ 147,000
Sales of equipment	1,200
	<u>148,200</u>
Add charge not requiring cash expenditure:	
Loss on sale of equipment	3,197
	<u>151,397</u>

Funds used:

Exploration and administration expenses	\$ 159,449
Purchase of equipment	511
	<u>159,960</u>
Decrease in working capital	<u>\$ 8,563</u>

See accompanying note to balance sheet.



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